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15 December 1983

DDCI Notes from IC Off-Site Conference, 11-12 December 1983

--We should look at collection mix of our major systems, looking at the extent to which each program contributes to our target topics and evaluate the shortfalls. See if the funding profile is consistent with the results.

From

--Understand Boston consulting group is the best around in strategic planning. Boeing having to train its own people in computers and computer sciences since school systems are not producing enough. Boeing right now has 500 vacancies in computer work.

--By the year 2000, women will make up 49% of the work force. A great many women are now working part-time: 19.6% in 1968, 24.6% now and 28% by the year 2000.

--Robotics will occupy about 50% of the labor force function. The work force will break out into 76% doing services, 22% doing manufacturing and 2% farming. Unions, while only 21% of the labor force, are very powerful.

--Boeing makes full use of establishing teams with alternate views who compete with the norm.

--In 1968 Boeing laid off 35,000 people.

--The French helped push the airbus by offering 3 1/2% interest rates subsidized by the French government as opposed to 14% that Boeing must charge. Boeing will repair or service any Boeing aircraft worldwide within 24 hours or pay \$25,000 each day the plane is down. Boeing invested \$4 billion in the 757 and 767 to develop efficient engines. Because of the oil glut companies which had ordered them are now deferring and couldn't care less about gas prices. Because Boeing has a \$15 billion sales backlog it gets little help in its international trading from the U.S. Government.

SECRET

SECRET

--Gates pointed out that there will be 5 1/2 billion people by 1995 in the world. Gap between rich and poor will grow greater. Food, water, pollution and energy will dominate the crises in the 1990s. Migration and refugee flow will also be a problem.

--U.S. will find itself on a one-way street unless our laws are changed and protectionism throughout the world knocked down.

Dominant issues:

--Soviets will either have to reform or stagnate. Question arises: will there be unrest. Can the Soviets manage their own problems and at the same time Eastern Europe. Soviets will move aggressively for arms in space. Arms control monitoring will be extremely difficult. How will the Soviets advance in science and technology. Third World politically and economically will be crises. Third World military conflicts, nuclear proliferation and terrorism. Regional developments will center around Eastern Europe, Mideast, Southwest Asia and Africa.

--Question whether or not NATO will decline as Europe moves closer to Eastern Europe. Will the U.S. become more dependent on other countries for strategic material. In Latin American countries will turn either left or right but in either case will be dominated by authoritarian governments.

--All of this suggests that intelligence remain flexible in order to have sufficient resources to meet the needs.

--DCI picked up on the need for flexible responses and to develop entrepreneurs on how to address our intelligence problems. We should be able to form crisis teams within the Agency and across agencies to meet collection as well as analytical needs.

25X1 [] In the 1990s there will be a reduction in U.S. economic preeminence. We should ensure that the intelligence community role in econ intelligence is clear and understood. There will be an increasing importance to international trade. U.S. is behind the power curve with only 7% of its GNP involved in export where other countries such as Britain, France and Japan range all the way from 20 to 40%. The intelligence requirements will continue to grow considerably and maybe we have to decide, because of the unavailability of resources, to write off some countries.

--Items now which need more attention are financial flows, arms trafficking, drug trafficking and the potential that mobster syndicates can develop of tremendous leverage by controlling billions of dollars in illegal trade.

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--Remind DDCI to task the DDI continuously to have intel analysts
when they travel produce intel reports.

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--Gates indicated more attention needs to be done to processing and creative attention to analyses. We ought to experiment with video presentations.

--Faurer suggested more program involvement of the IC Staff and less of the NFIC. Faurer spoke of an exercise going on at NSA where everyone is to look at a 10% manpower cut.

--Casey raised the question of intel for public diplomacy. Everyone spoke against it.

--Need to look at personnel, recruitment across the board, training. Raised question as to whether legislative liaison ought to be expanded in the IC Staff.

--Stilwell felt that more intel support is needed for electronic warfare.

--I raised the question of getting our laws changed and more support out of the Department of Commerce for our companies. Commerce and Justice should be gigged.

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